



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### **Baucus Introduces the Encouraging Work Act of 2003**

*Senator Working to Increase Job Opportunities in Montana and Across the Country*

(WASHINGTON, D.C.) U.S. Senators Max Baucus (D-Mont.) and Rick Santorum (R-Pa.) combined forces today to introduce bipartisan legislation that will permanently extend and improve upon the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work (W-t-W) tax credit. These two tax credits will expire on December 31, 2003.

Over the past seven years, these two tax credits have played an integral role in assisting over 2.2 million individuals dependent on public assistance enter the workforce. These hiring tax incentives help level the job selection playing field by providing employers with additional resources to help recruit, select, train and retain people facing significant barriers to find stable employment.

"The statistics about the number of people who have been able to join the workforce because of the Work Opportunity Tax Credit and Welfare-to-Work tax credit speak volumes about the success of these programs," Baucus said. "Passing the Encouraging Work Act of 2003 will be crucial if we're to continue this success. Given the current shape of the economy, it's more important than ever to help people move into the workforce. I'm pleased to be working together with Senator Santorum to help provide more job opportunities for people across the country."

"The Encouraging Work Act of 2003 continues to open the door of opportunity for millions of Americans by continuing to expand on our efforts with Welfare Reform and the assistance to employers found in the WOTC and W-t-W by combining the programs into one administered tax credit," said Santorum. "This permanent tax credit will allow employers to spend less time on the administration of tax credits and more time providing job mentors, lengthening training periods and spending more time on recruiting and outreach for their employees."

The Encouraging Work Act of 2003 will:

- make the Work Opportunity Tax Credit and Welfare to Work tax credit permanent, which will encourage more employers to participate;
- combine the two credit programs, which will reduce administrative burden and complexity, and
- improve the effectiveness of the program by, for example, extending opportunities to at-risk men and fathers of children on welfare.

Baucus today also highlighted the success that his state of Montana has seen due to the WOTC and W-t-W programs.

"In my home state of Montana, both large multinational firms and smaller family-owned businesses have gained new employees through these programs and more than 1,000 Montanans were eligible to take advantage of the WOTC program in the past 18 months," Baucus said. "Recipients of food stamps, TANF relief, and U.S. veterans in my state and all over the nation have been able to leave welfare roles because of new opportunities created by the WOTC and W-t-W programs. I look forward to passing this bill and permanently extending these credits."

During this year's debate on the Jobs and Growth Tax Reconciliation Act, Senator Baucus voted to extend the WOTC and W-t-W tax credits as part of the bill. The provisions were not included in the final conference agreement.

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